

IC 6-1.1-21

Chapter 21. Property Tax Replacement Fund

IC 6-1.1-21-1

Creation

Sec. 1. There is hereby established a special fund to be known as the "property tax replacement fund".

All taxes or other moneys deposited in the property tax replacement fund, as provided by law, shall be held and distributed in accordance with the provisions of this chapter and all funds in the property tax replacement fund, remaining after any distribution provided for in this chapter, shall not revert to the general fund of the state but shall constitute a revolving fund for subsequent distribution for the purposes provided for in this chapter. Any amount earned on moneys deposited in the property tax replacement fund shall remain in and become part of the property tax replacement fund.

(Formerly: Acts 1975, P.L.47, SEC.1.)

IC 6-1.1-21-2 Version a

Definitions

Note: This version of section amended by P.L.1-2005, SEC.92. See also following version of this section amended by P.L.246-2005, SEC.64, effective 1-1-2006.

Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 (repealed) were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 for a racial balance fund; plus

(iii) IC 36-12-12 for a library capital projects fund; plus

- (iv) IC 36-10-13-7 for an art association fund; plus
- (v) IC 21-2-17 for a special education preschool fund; plus
- (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
- (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
- (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus
- (H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 or any other law; minus
- (I) for each township in the county, the lesser of:
 - (i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) filed after December 31, 1982; or
 - (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus
- (J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus
- (K) for each county, the sum of:
 - (i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and
 - (ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus
- (2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus
- (3) the amounts, if any, of county adjusted gross income taxes

that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

(j) "Eligible property tax replacement amount" is equal to the sum of the following:

(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

(1) held for sale in the ordinary course of a trade or business; or

(2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means the sum of the following:

(1) Sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year.

(2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property.

(3) Twenty percent (20%) of a taxpayer's tax liability for a

stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.73-1983, SEC.12; P.L.74-1983, SEC.2; P.L.45-1984, SEC.3; P.L.44-1984, SEC.6; P.L.66-1986, SEC.1; P.L.64-1986, SEC.2; P.L.85-1987, SEC.1; P.L.59-1988, SEC.1; P.L.82-1989, SEC.2; P.L.343-1989(ss), SEC.3; P.L.344-1989(ss), SEC.2; P.L.1-1990, SEC.74; P.L.59-1991, SEC.1; P.L.240-1991(ss2), SEC.49; P.L.2-1992, SEC.64; P.L.36-1994, SEC.8; P.L.25-1995, SEC.52; P.L.253-1997(ss), SEC.4; P.L.85-2002, SEC.2; P.L.192-2002(ss), SEC.39; P.L.224-2003, SEC.137; P.L.1-2004, SEC.33 and P.L.23-2004, SEC.36; P.L.1-2005, SEC.92.

IC 6-1.1-21-2 Version b

Definitions

Note: This version of section amended by P.L.246-2005, SEC.64, effective 1-1-2006. See also preceding version of this section amended by P.L.1-2005, SEC.92.

Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract

adjustments which change the amount of the aggregate levy;
minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 for a capital projects fund; plus

- (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- (iii) IC 20-14-13 for a library capital projects fund; plus
- (iv) IC 20-5-17.5-3 for an art association fund; plus
- (v) IC 21-2-17 for a special education preschool fund; plus
- (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
- (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
- (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus
- (H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 or any other law; minus
- (I) for each township in the county, the lesser of:
 - (i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) filed after December 31, 1982; or
 - (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus
- (J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus
- (K) for each county, the sum of:
 - (i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and
 - (ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus
- (2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes

stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

(j) "Eligible property tax replacement amount" is, except as otherwise provided by law, equal to the sum of the following:

(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

(1) held for sale in the ordinary course of a trade or business; or
(2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means, except as otherwise provided by law, the sum of the following:

(1) Sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year.

(2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real

property.

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

(o) "Board" refers to the property tax replacement fund board established under section 10 of this chapter.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.73-1983, SEC.12; P.L.74-1983, SEC.2; P.L.45-1984, SEC.3; P.L.44-1984, SEC.6; P.L.66-1986, SEC.1; P.L.64-1986, SEC.2; P.L.85-1987, SEC.1; P.L.59-1988, SEC.1; P.L.82-1989, SEC.2; P.L.343-1989(ss), SEC.3; P.L.344-1989(ss), SEC.2; P.L.1-1990, SEC.74; P.L.59-1991, SEC.1; P.L.240-1991(ss2), SEC.49; P.L.2-1992, SEC.64; P.L.36-1994, SEC.8; P.L.25-1995, SEC.52; P.L.253-1997(ss), SEC.4; P.L.85-2002, SEC.2; P.L.192-2002(ss), SEC.39; P.L.224-2003, SEC.137; P.L.1-2004, SEC.33 and P.L.23-2004, SEC.36; P.L.246-2005, SEC.64.

IC 6-1.1-21-2.5

Minimum guaranteed credit; adjustment of credits and distributions

Effective 1-1-2006.

Sec. 2.5. (a) Annually, before the department determines the eligible property tax replacement amount for a year under section 3 of this chapter and the department of local government finance makes its certification under section 3(b) of this chapter, the budget agency shall determine the sum of the following:

(1) One billion one hundred twenty-one million seven hundred thousand dollars (\$1,121,700,000).

(2) An amount equal to the net amount of revenue, after deducting collection allowances and refunds, that the budget agency estimates will be collected in a particular calendar year from the part of the gross retail and use tax rate imposed under IC 6-2.5 equal to one percent (1%).

The estimate made under this subsection must be consistent with the latest technical forecast of state revenues that is prepared for distribution to the general assembly and the general public and available to the budget agency at the time that the estimate is made.

(b) The department may not distribute eligible property tax replacement amounts and eligible homestead credit replacement amounts for a year under this chapter that, in the aggregate, is less than the amount computed under subsection (a).

(c) Annually, before the department determines the eligible property tax replacement amount for a year under section 3 of this

chapter and the department of local government finance makes its certification under section 3(b) of this chapter, the budget agency shall determine whether the total amount of property tax replacement credits granted in Indiana under section 5 of this chapter and homestead credits granted in Indiana under IC 6-1.1-20.9-2 for a year, determined without applying subsection (b), will be less than the amount determined under subsection (b). The budget agency shall give notice of its determination to the members of the board and, in an electronic format under IC 5-14-6, the general assembly. If the budget agency determines that the amount determined under subsection (b) will not be exceeded in a particular year, the board shall increase for that year the percentages used to determine a taxpayer's property tax replacement credit amount and the homestead credit percentage applicable under IC 6-1.1-20.9-2 so that the total amount of property tax replacement credits granted in Indiana under section 5 of this chapter and homestead credits granted in Indiana under IC 6-1.1-20.9-2 at least equals the amount determined under subsection (b). In making adjustments under this subsection, the board shall increase percentages in the following order until the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year at least equals the amount determined under subsection (b):

(1) The homestead credit percentage specified in IC 6-1.1-20.9-2 until the homestead percentage reaches the lesser of:

(A) thirty percent (30%); or

(B) the percentage at which the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year at least equals the amount determined under subsection (b).

(2) If the amount determined under subsection (b) is not exceeded after increasing the homestead percentage under subdivision (1), the board shall increase the property tax replacement credit percentage specified in section 2(j)(1) and 2(l)(1) of this chapter until the property tax replacement percentage reaches the lesser of:

(A) seventy percent (70%); or

(B) the percentage at which the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year, as adjusted under this subsection, at least equals the amount determined under subsection (b).

(3) If the amount determined under subsection (b) is not exceeded after making all possible increases in credit percentages under subdivisions (1) and (2), the board shall increase the property tax replacement credit percentages specified in section 2(j)(2), 2(j)(3), 2(l)(2), and 2(l)(3) of this chapter to the percentage at the total of property tax replacement credits granted under section 5 of this chapter and

homestead credits granted under IC 6-1.1-20.9-2 for the year, as adjusted under this subsection, at least equals the amount determined under subsection (b).

(d) The adjusted percentages set under subsection (c):

(1) are the percentages that apply under:

(A) section 5 of this chapter to determine a taxpayer's property tax replacement credit amount; and

(B) IC 6-1.1-20.9-2 to determine a taxpayer's homestead credit; and

(2) must be used by the:

(A) department in estimating the eligible property tax replacement amount under section 3 of this chapter; and

(B) department of local government finance in making its certification under section 3(b) of this chapter;

and for all other purposes under this chapter and IC 6-1.1-20.9 related to distributions under this chapter;

for the particular year covered by a budget agency's determination under subsection (c).

As added by P.L.246-2005, SEC.65.

IC 6-1.1-21-3

Estimate; eligible property tax replacement amount and homestead credits; additional distribution for economic development district

Sec. 3. (a) The department, with the assistance of the auditor of state and the department of local government finance, shall determine an amount equal to the eligible property tax replacement amount, which is the estimated property tax replacement.

(b) The department of local government finance shall certify to the department the amount of homestead credits provided under IC 6-1.1-20.9 which are allowed by the county for the particular calendar year.

(c) If there are one (1) or more taxing districts in the county that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter, the department of local government finance shall estimate an additional distribution for the county in the same report required under subsection (a). This additional distribution equals the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Estimate that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the estimated property tax replacement amount attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(d) The sum of the amounts determined under subsections (a) through (c) is the particular county's estimated distribution for the calendar year.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1979, P.L.60, SEC.2; P.L.44-1984, SEC.7; P.L.86-1987, SEC.1; P.L.332-1989(ss), SEC.13; P.L.90-2002, SEC.200; P.L.192-2002(ss), SEC.40.

IC 6-1.1-21-4

Distributions from fund; exceptions; later payment of withheld distributions

Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

(1) each county's total eligible property tax replacement amount for that year; plus

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year; plus

(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (1/2) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (1/2) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the

amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments included in the December settlement sheet for the year, and such additional information as the department may require.

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the fund, then the amount of the deficiency shall be transferred from the state general fund to the property tax replacement fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the payment of that amount. However, any amount transferred under this section from the general fund to the property tax replacement fund shall, as soon as funds are available in the property tax replacement fund, be retransferred from the property tax replacement fund to the state general fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the replacement of that amount.

(e) Except as provided in subsection (g) and subject to subsection (h), the department shall not distribute under subsection (b) and section 10 of this chapter a percentage, determined by the department, of the money that would otherwise be distributed to the county under subsection (b) and section 10 of this chapter if:

- (1) by the date the distribution is scheduled to be made, the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance;
- (2) by the deadline under IC 36-2-9-20, the county auditor has not transmitted data as required under that section;
- (3) the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a);
- (4) the county assessor has not forwarded to the department of local government finance in a timely manner sales disclosure forms under IC 6-1.1-5.5-3(b);
- (5) local assessing officials have not provided information to the department of local government finance in a timely manner under IC 4-10-13-5(b);
- (6) the county auditor has not paid a bill for services under IC 6-1.1-4-31.5 to the department of local government finance in a timely manner;

- (7) the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b);
- (8) the county has not established a parcel index numbering system under 50 IAC 12-15-1 in a timely manner; or
- (9) a township or county official has not provided other information to the department of local government finance in a timely manner as required by the department.

(f) Except as provided in subsection (i), money not distributed for the reasons stated in subsection (e) shall be distributed to the county when the department of local government finance determines that the failure to:

- (1) provide information; or
- (2) pay a bill for services;

has been corrected.

(g) The restrictions on distributions under subsection (e) do not apply if the department of local government finance determines that the failure to:

- (1) provide information; or
- (2) pay a bill for services;

in a timely manner is justified by unusual circumstances.

(h) The department shall give the county auditor at least thirty (30) days notice in writing before withholding a distribution under subsection (e).

(i) Money not distributed for the reason stated in subsection (e)(6) may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money deposited under this subsection is not subject to distribution under subsection (f).

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1979, P.L.60, SEC.3; Acts 1982, P.L.48, SEC.1; P.L.1-1982(ss), SEC.1; P.L.44-1984, SEC.8; P.L.68-1985, SEC.1; P.L.86-1987, SEC.2; P.L.332-1989(ss), SEC.14; P.L.240-1991(ss2), SEC.50; P.L.36-1994, SEC.9; P.L.30-1996, SEC.3; P.L.198-2001, SEC.59; P.L.192-2002(ss), SEC.41; P.L.245-2003, SEC.19; P.L.264-2003, SEC.12; P.L.97-2004, SEC.21; P.L.228-2005, SEC.22.

IC 6-1.1-21-5

Eligibility of taxpayers for property tax replacement credit; mobile homes

Sec. 5. (a) Each year the taxpayers of each county shall receive a credit for property tax replacement in the amount of each taxpayer's property tax replacement credit amount for taxes which:

- (1) under IC 6-1.1-22-9 are due and payable in May and November of that year; or
- (2) under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.

The credit shall be applied to each installment of taxes. The dollar

amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the department of local government finance.

(b) The tax liability of a taxpayer for the purpose of computing the credit for a particular year shall be based upon the taxpayer's tax liability as is evidenced by the tax duplicate for the taxes payable in that year, plus the amount by which the tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year, as provided in sections 2(g) and 3 of this chapter, adjusted, however, for any change in assessed valuation which may have been made pursuant to a post-abstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a). However, except when using the term under section 2(l)(1) of this chapter, the tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F), 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), 2(g)(1)(J), or 2(g)(1)(K) of this chapter in computing the total county tax levy.

(c) The credit for taxes payable in a particular year with respect to mobile homes which are assessed under IC 6-1.1-7 is equivalent to the taxpayer's property tax replacement credit amount for the taxes payable with respect to the assessments plus the adjustments stated in this section.

(d) Each taxpayer in a taxing district that contains all or part of an economic development district that meets the requirements of section 5.5 of this chapter is entitled to an additional credit for property tax replacement. This credit is equal to the product of:

- (1) the STEP TWO quotient determined under section 4(a)(3) of this chapter for the taxing district; multiplied by
- (2) the taxpayer's taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.74-1983, SEC.3; P.L.44-1984, SEC.9; P.L.86-1987, SEC.3; P.L.41-1993, SEC.21; P.L.36-1994, SEC.10; P.L.192-2002(ss), SEC.42; P.L.1-2003, SEC.26; P.L.1-2004, SEC.34 and P.L.23-2004, SEC.37.

IC 6-1.1-21-5.5

Economic development districts; additional distributions and credits

Sec. 5.5. (a) An economic development district that is located in one (1) or more taxing districts in a county qualifies that county and the taxpayers located in those taxing districts for additional distributions and credits under this chapter if the following requirements are met:

- (1) The economic development district was established under

IC 6-1.1-39.

(2) The economic development district was established before January 1, 1988.

(3) The additional distributions and credits for the economic development district were approved by the department of commerce before January 1, 1988.

(b) The department of commerce may not issue more than three (3) approvals under this section.

As added by P.L.86-1987, SEC.4.

IC 6-1.1-21-6 Repealed

(Repealed by P.L.60-1991, SEC.3.)

IC 6-1.1-21-7

Refunds to taxpayer entitled under this chapter or for homestead credit

Sec. 7. (a) Notwithstanding IC 6-1.1-26, any taxpayer who is entitled to a credit under this chapter or who has properly filed for and is entitled to a credit under IC 6-1.1-20.9, and who, without taking the credit, pays in full the taxes to which the credit applies, is entitled to a refund, without interest, of an amount equal to the amount of the credit. However, if the taxpayer, at the time a refund is claimed, owes any other taxes, interest, or penalties payable to the county treasurer to whom the taxes subject to the credit were paid, then the credit shall be first applied in full or partial payment of the other taxes, interest, and penalties and the balance, if any, remaining after that application is available as a refund to the taxpayer.

(b) Any taxpayer entitled to a refund under this section shall be paid that refund from proceeds of the property tax replacement fund. However, with respect to any refund attributable to a homestead credit, the refund shall be paid from that fund only to the extent that the percentage homestead credit the taxpayer was entitled to receive for a year does not exceed the percentage credit allowed in IC 6-1.1-20.9-2(d) for that same year. Any refund in excess of that amount shall be paid from the county's revenue distributions received under IC 6-3.5-6.

(c) The state board of accounts shall establish an appropriate procedure to simplify and expedite the method for claiming these refunds and for the payments thereof, as provided for in this section, which procedure is the exclusive procedure for the processing of the refunds. The procedure shall, however, require the filing of claims for the refunds by not later than June 1 of the year following the payment of the taxes to which the credit applied.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1979, P.L.60, SEC.4; P.L.44-1984, SEC.10.

IC 6-1.1-21-8

Changed tax liability; credit or refund adjustments

Sec. 8. If the tax liability of any taxpayer for which a credit is determined and allowed under this chapter is, after the determination

and allowance of the credit, changed due to a post-abstract adjustment, then the credit shall be correspondingly adjusted by the county auditor with the assistance of the county treasurer to reflect the changed tax liability and if a right to an additional refund results therefrom, as provided for in section 7 of this chapter, then the taxpayer, notwithstanding the provisions of IC 1971, 6-1.1-26, has either ninety (90) days from the date the change is effected in which to process a refund claim or until the June 1st expiration date for refund claims as set forth in section 7 of this chapter, whichever is the last to occur.

(Formerly: Acts 1975, P.L.47, SEC.1.)

IC 6-1.1-21-9

Aggregate amount of credits; settlement with department

Sec. 9. (a) On or before October 15 of each year, each county auditor shall, make a settlement with the department as to the aggregate amount of property tax replacement credits extended to taxpayers in the auditor's county during the first eight (8) months of that same year. On or before December 31 of each year, each county auditor shall make a settlement with the department along with the filing of the county auditor's December settlement as to the aggregate amount of property tax replacement credits extended to taxpayers in the auditor's county during the last four (4) months of that same year. If the aggregate credits allowed during either period exceed the property tax replacement funds allocated and distributed to the county treasurer for that same period, as provided in sections 4 and 5 of this chapter, then the department shall certify the amount of the excess to the auditor of state who shall issue a warrant, payable from the property tax replacement fund, to the treasurer of the state ordering the payment of the excess to the county treasurer. If the distribution exceeds the aggregate credits, the county treasurer shall repay to the treasurer of the state the amount of the excess, which shall be redeposited in the property tax replacement fund.

(b) In making the settlement required by subsection (a), the county auditor shall recognize the fact that any loss of revenue resulting from the provision of homestead credits in excess of the percentage credit allowed in IC 6-1.1-20.9-2(d) must be paid from county option income revenues.

(c) Except as otherwise provided in this chapter, the state board of accounts with the cooperation of the department shall prescribe the accounting forms, records, and procedures required to carry out the provisions of this chapter.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.1-1982(ss), SEC.2; P.L.44-1984, SEC.11; P.L.68-1985, SEC.2; P.L.240-1991(ss2), SEC.51.

IC 6-1.1-21-10

Property tax replacement fund board; membership; powers and duties

Sec. 10. (a) There is established a property tax replacement fund

board to consist of the commissioner of the department, the commissioner of the department of local government finance, the director of the budget agency, and two (2) ex officio nonvoting representatives of the general assembly of the state of Indiana. The speaker of the house of representatives shall appoint one (1) member of the house as one (1) of the ex officio nonvoting representatives, and the president pro tempore of the senate shall appoint one (1) senator as the other ex officio nonvoting representative, each to serve at the will of the appointing officer. The commissioner of the department shall be the chairman of the board, and the director of the budget agency shall be the secretary of the board.

(b) Except as provided in section 10.5 of this chapter, the schedule to be used in making distributions to county treasurers during the periods set forth in section 4(b) of this chapter is as follows:

January	0.00%
February	0.00%
March	16.70%
April	16.70%
May	0.00%
June	0.00%
July	16.60%
August	0.00%
September	16.70%
October	16.70%
November	16.60%
December	0.00%

The board may authorize the department to distribute the estimated distributions to counties earlier than what is required under section 4(b) of this chapter.

(c) The board is also authorized to transfer funds from the property tax replacement fund for the purpose of providing financial aid to school corporations as provided in IC 21-3.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.1-1982(ss), SEC.3; P.L.68-1985, SEC.3; P.L.240-1991(ss2), SEC.52; P.L.340-1995, SEC.42; P.L.26-1996, SEC.7; P.L.90-2002, SEC.201; P.L.176-2002, SEC.2; P.L.192-2002(ss), SEC.43.

IC 6-1.1-21-10.5

Advance of estimated distributions

Sec. 10.5. (a) For estimated distributions payable before July 1, 2004, the board may authorize the department to distribute the estimated distributions under section 10(c) of this chapter to one (1) or more counties or to all counties earlier than what is required under section 4(b) or 10(c) of this chapter. The board may authorize the advance of an estimated distribution at any time during the calendar year in which the estimated distribution would otherwise be made. The board shall issue guidelines governing the application process for counties that apply for an advance of an estimated distribution under this subsection.

(b) This section expires July 1, 2004.
As added by P.L.176-2002, SEC.3.

IC 6-1.1-21-11

Mobile homes; conditional exemption from chapter

Sec. 11. In the event the provisions of IC 1971, 6-1.1-7, regarding the assessment and taxation of mobile homes, are superseded by the imposition of an excise tax imposed on mobile homes in lieu of an ad valorem property tax, then the provisions of this chapter and the property tax replacement credit provided under this chapter do not apply to the imposition and collection of such an excise tax on mobile homes.

(Formerly: Acts 1975, P.L.47, SEC.1.)

IC 6-1.1-21-12

Repealed

(Repealed by P.L.240-1991(ss2), SEC.101.)